

A-Engrossed
House Bill 2438

Ordered by the House March 22
Including House Amendments dated March 22

Sponsored by Representative GARRARD; Representative SCHAUFLEER (at the request of Oregon Vehicle Dealer Association)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Decreases required vehicle dealer bond amount.]

[Removes requirement that vehicle dealer give specified disclosure notice with vehicle sold on consignment.]

[Provides that motor vehicle repair shop is exempt from requirement to hold vehicle dealer certificate only if motor vehicle repair shop acquires vehicles from insurance company at auction held by person who holds vehicle dealer certificate and sells repaired vehicles to person who holds vehicle dealer certificate.]

[Requires motor vehicle repair shop to keep specific records of vehicles being sold to person holding vehicle dealer certificate. Imposes civil penalty of up to \$1,000 for violation of record keeping provisions.]

Removes requirement that vehicle dealer provide certain title information on disclosure notice given to purchaser of vehicle sold on consignment.

A BILL FOR AN ACT

Relating to vehicle dealers; creating new provisions; and amending ORS 822.060.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 822.060 is amended to read:

822.060. (1) A vehicle dealer issued a certificate under ORS 822.020 commits the offense of illegal consignment practices if the dealer does any of the following:

(a) Takes a vehicle on consignment from a person who is not a certified dealer and does not have proof that the consignor is the registered owner, a security interest holder or lessor of the vehicle.

(b) Takes a vehicle on consignment from a security interest holder without the security interest holder first completing a repossession action prior to consigning the vehicle and providing the dealer with proper documentary proof of the repossession action.

(c) Takes a vehicle on consignment and does not have the terms of the consignment agreement in writing and provide a copy of the agreement to the consignor. The agreement shall include a provision stating that if the terms of the agreement are not met, the consignor may file a complaint in writing with the Department of Transportation, Salem, Oregon.

(d) Sells a vehicle that the dealer has on consignment and does not pay the consignor within 10 days of the sale.

(e) Sells a vehicle that the dealer has on consignment and does not either provide the purchaser with a certificate of title to the vehicle or with other primary ownership records in the form of documents or apply to the department in the purchaser's name for title to the vehicle within 30 days of the sale in a manner provided by the department by rule.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (f) Does not allow the department or any duly authorized representative to inspect and audit
2 any records of any separate accounts into which the dealer deposits any funds received or handled
3 by the dealer or in the course of business as a dealer from consignment sale of vehicles at such
4 times as the department may direct.

5 (g) Takes any part of any money paid to the dealer in connection with any consignment trans-
6 action as part or all of the dealer's commission or fee until the transaction has been completed or
7 terminated.

8 (h) Does not make arrangement for the disposition of money from a consignment transaction
9 with the seller at the time of establishing a consignment agreement.

10 (i) Sells a vehicle that the dealer has taken on consignment without first giving the purchaser
11 the following disclosure in writing:

12 _____

13
14 DISCLOSURE REGARDING
15 CONSIGNMENT SALE

16
17 _____ (Name of Dealer) is selling the following described vehicle:
18 _____ (Year) _____ (Make) _____ (Model) _____ (Vehicle Identification Num-
19 ber) on consignment. [*Title to this vehicle is in the name of: _____ (Vehicle Owner(s)*
20 *as shown on Certificate of Title) and the following are listed on the Certificate of Title as security in-*
21 *terest holders:]*

22 [_____]

23
24 [_____]

25
26
27 **There is a security interest in this vehicle.**

28 **There is not a security interest in this vehicle.**

29
30 YOU SHOULD TAKE ACTION TO ENSURE THAT ANY SECURITY INTERESTS ARE RE-
31 LEASED AND THAT THE TITLE TO THE VEHICLE IS TRANSFERRED TO YOU. OTHERWISE,
32 YOU MAY TAKE TITLE SUBJECT TO ANY UNSATISFIED SECURITY INTERESTS.

33 _____

34
35 (2) The offense described in this section, illegal consignment practices, is a Class A
36 misdemeanor.

37 **SECTION 2. The amendments to ORS 822.060 by section 1 of this 2007 Act apply to vehi-**
38 **cles sold or offered for sale on or after the effective date of this 2007 Act.**